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**CANADIAN NISTO  
MINES LIMITED**



**ANNUAL REPORT**

for the year ending December 31

**1966**

# CANADIAN NISTO MINES LIMITED

## TO THE SHAREHOLDERS

Herewith are submitted the Financial Statements of the Company for the year ended Dec. 31, 1966, with the Auditor's report and the Notice for the Annual Meeting of Shareholders to be held in Toronto on April 28, 1967.

The reorganization of the Company's capital structure was completed during the year, whereby one share of Canadian Nisto Mines Ltd. is exchangeable for two shares of Nisto Mines Ltd. A right's offering was also made to the shareholders but, due to adverse market conditions prevailing at the time, the exercising of the rights was not attractive and consequently the Company received only the minimum amount of \$35,000. in new financing that was provided for.

The Company was active in several areas during the past year.

## GASPE

LESSEPS TOWNSHIP OPTION. (15 claims) Detailed soil sampling geological mapping, and geophysical surveys were carried out and one hole was drilled to test an I.P. anomaly. This encountered barren sulphide mineralization and further work will be dependent on the results obtained on adjoining properties. The option is in good standing until April, 1968.

ANTIPODES. The Company acquired a 10% working interest in 45 claims, adjoining to the south-west of the Terra Nova property. Other partners are Antipodes Explorations Ltd. (75%) and Jelex Mines Ltd. (15%). The work done consisted of geochemical and geophysical surveys and 2 holes were drilled to test I.P. anomalies, without significant results being obtained. The drilling program was interrupted due to weather conditions and additional drilling will be carried out this coming summer. The drill was left on the property.

GENERAL. The Company carried out initial exploration programs on the balance of its Gaspé holdings and a year's assessment work was recorded on the majority of the claims. These now consist of 25 claims in south-west Bonnacamp Township, (100% interest) 165 claims in Holland Township (25% interest) 10 claims in Lesseps (50% interest) and 27 claims in Joffre and Leclercq Townships (33⅓% interest).

Anomalous zinc and copper values were obtained in silt samples on the Bonnacamp claims and an aerial magnetic anomaly was located in the south-west part of the claim group. Further work to consist of geophysical surveys and soil sampling is planned.

A large magnetic anomaly was located on the Holland Township group and a crew is presently on the ground doing magnetic work. It is planned to follow this up with geochemical prospecting and geological mapping. Other participants are Frobex Ltd. (50%) and Jelex Mines Ltd. (25%).

## TIMMINS

The Company owns a 50% interest in 51 claims in Reid Township on which one hole was drilled to test an E.M. conductor. No mineralization was encountered and no further work is planned.



## NEW BRUNSWICK

During the year, interests in two claim groups were acquired by staking in New Brunswick.

The first group consists of 30 claims, (90% interest) located in the Jacquet River area, where a regional stream sampling program carried out by the Geological Survey of Canada disclosed anomalous base metal values over a wide area. Other Companies, holding claims in close proximity, are Noranda Exploration, Asarco Exploration, Falconbridge Nickel Mines and the Keevil Mining group.

The second consists of  $33\frac{1}{3}\%$  interest in 158 claims, with Jalex Mines owning  $66\frac{2}{3}\%$  interest. The property is located on the boundary between New Brunswick and Quebec, at the junction of Patapedia and Restigouche Rivers. The claims were staked on the flank of an aerial magnetic anomaly with high copper values occurring in the streams in the general area of the anomaly. Noranda Exploration and Area Mines hold adjoining claims.

An initial program of geochemical prospecting is planned for both these groups.

## HAVRE-ST. PIERRE URANIUM AREA-QUEBEC

The Company has just completed the staking of two groups of claims in the area to the west of the recently announced uranium discovery made by Consolidated Morrison Explorations, Frobex Ltd. et al. The discovery is reported to occur within a large granite mass and one group of 15 claims is located, adjoining the Cons. Morrison claims, taking in part of the granite and the contact area. The other group of 40 claims covers part of a second granite plug, located about two miles further west. It is planned to have a crew on the ground immediately after breakup, to carry out scintillometer surveys on both groups.

## MAINE

The Company carried out a limited prospecting program in Maine and is maintaining certain of its holdings in good standing.

## FINANCIAL

Referring to the Balance sheet, it is pointed out, that with improved market conditions as compared to the year end, the present quoted market value of the Company's investments has increased by approximately 10% over the figure set out in the Statement.

In addition, preliminary discussions are presently being held to arrange for additional financing in order that the Company may continue to pursue its active exploration activities.

As a point of interest Nisto Mines Ltd. was originally incorporated to develop a uranium prospect in northern Saskatchewan. The Havre-St. Pierre prospect is the first uranium venture taken on since that time. With the increasing importance and demand for uranium, the Company will pay greater attention to opportunities in the exploration for uranium deposits.

Respectfully submitted on behalf of the Board of Directors.

E. M. DILLMAN,  
President.

April 8, 1967.

# CANADIAN NISTO MINES LIMITED

(Formerly Nisto Mines Limited)

(Incorporated under the laws of Ontario)

## Balance Sheet — December 31, 1966

### ASSETS

#### CURRENT ASSETS

Cash in bank .....	\$ 4,279.36	
Marketable securities — at cost (quoted market value \$80,113.00) .....	<u>97,037.50</u>	\$101,316.86

#### MINING CLAIMS

Acquired by staking — at nominal value .....	4.00	
Other claims — at cost .....	<u>5,375.00</u>	5,379.00
Option to purchase Mining Claims (Note 1) .....		15,000.00
Participation in Mining Syndicates — at cost .....		600.00
Automotive Equipment — at cost .....	3,604.00	
Less accumulated depreciation .....	<u>1,081.20</u>	2,522.80
Deferred Expenditure .....		<u>112,772.37</u>
		<u>\$237,591.03</u>

### LIABILITIES

#### CURRENT LIABILITIES

Accounts payable		
Broker (secured) .....	\$ 34,977.52	
Other .....	<u>3,143.18</u>	\$ 38,120.70

#### SHAREHOLDERS' EQUITY

##### Capital stock (Note 2)

Authorized — 5,000,000 shares of \$1 each

Issued	Shares	Par Value	Discount	Net
January 1, 1966 .....	5,300,000	\$ 5,300,000.00	\$ 4,334,694.40	\$965,305.60
Cancelled,				
August 19, 1966	2,650,000	2,650,000.00	1,843,694.40	806,305.60
	<u>2,650,000</u>	<u>2,650,000.00</u>	<u>2,491,000.00</u>	<u>159,000.00</u>
Issued for cash,				
August 20, 1966				
to December 31,				
1966 .....	100,000	100,000.00	65,000.00	35,000.00
	<u>2,750,000</u>	<u>\$ 2,750,000.00</u>	<u>\$ 2,556,000.00</u>	<u>\$194,000.00</u>

Contributed surplus .....	<u>5,470.33</u>	199,470.33
		<u>\$237,591.03</u>

Approved on behalf of the Board:

E. M. DILLMAN, Director.

J. ROSS, Director.

The appended notes to the balance sheet are an integral part of the above statement.



# CANADIAN NISTO MINES LIMITED

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## NOTES TO BALANCE SHEET

December 31, 1966

1. The company holds an option to purchase 15 mining claims in Lesseps Townships, Quebec, acquired for the sum of \$15,000 cash. To exercise the option in full, the company must deliver to the optionor 300,000 vendor shares of a new company to be incorporated on or before April 30, 1968.
2. By Supplementary Letters Patent, dated August 19, 1966:
  - (a) the company's name was changed to Canadian Nisto Mines Limited;
  - (b) 2,650,000 of the issued shares were cancelled;
  - (c) the authorized capital, as reduced by such cancellation, was then increased to 5,000,000 shares of \$1 each.

## AUDITOR'S REPORT

To the Shareholders,  
Canadian Nisto Mines Limited:

I have examined the balance sheet of Canadian Nisto Mines Limited as at December 31, 1966, and the statements of contributed surplus, deficit and deferred expenditures for the year then ended. My examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion, the accompanying balance sheet and statements of contributed surplus, deficit and deferred expenditure present fairly the financial position of the company as at December 31, 1966 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario,  
April 5, 1967.

R. WILSON LINTON,  
Chartered Accountant.

# CANADIAN NISTO MINES LIMITED

## *Statement of Contributed Surplus*

For the year ended December 31, 1966

Contributed surplus arising from cancellation of 2,650,000 shares .....	\$806,305.60
Deduct amount transferred from deficit account .....	800,835.27
Balance at December 31, 1966 .....	<u>\$ 5,470.33</u>

## *Statement of Deficit*

For the year ended December 31, 1966

Balance at January 1, 1966 .....		\$816,247.14
ADD:		
Re-organization costs .....	\$ 3,604.64	
Interest expense .....	1,809.90	
Exploration expenditure written off .....	30.00	5,444.54
		<u>821,691.68</u>
DEDUCT:		
Gain on sale of marketable securities .....	17,551.51	
Dividends received .....	3,304.90	20,856.41
		<u>800,835.27</u>
Transferred to contributed surplus .....		800,835.27
Balance at December 31, 1966 .....		<u>Nil</u>

## *Marketable Securities*

December 31, 1966

		Cost	Quoted Market Value
4,000 shares	Consolidated Mogul Mines Ltd. ....	\$21,095.00	\$13,800.00
900 shares	Northgate Explorations Ltd. ....	3,937.50	4,095.00
100 shares	Noranda Mines Ltd. ....	5,315.00	4,950.00
4,675 shares	Price Company Ltd. ....	66,690.00	57,268.75
		<u>\$97,037.50</u>	<u>\$80,113.75</u>

# CANADIAN NISTO MINES LIMITED

## *Statement of Deferred Expenditure*

For the year ended December 31, 1966

	Balance, January 1, 1966	Expenditures in 1966	Amounts Written Off in 1966	Balance, December 31, 1966
<b>GENERAL EXPLORATION, STAKING COSTS AND PROPERTY EXAMINATIONS</b>				
Timmins Area, Ontario .....	\$22,117.02	\$ 598.11		\$ 22,715.13
Washington County, Maine .....	10,483.90	1,820.11		12,304.01
Lesseps Twp., Quebec (option) .....	930.00	22,373.21		23,303.21
Gaspé Area, Quebec .....		27,063.36		27,063.36
Gaspé Area, Quebec (Antipodes) .....		3,497.65		3,497.65
Patapedia Twp., Quebec and New Brunswick .....		2,016.17		2,016.17
Other .....		30.00	30.00	
	<u>33,530.92</u>	<u>57,398.61</u>	<u>30.00</u>	<u>90,899.53</u>
<b>ADMINISTRATION</b>				
Directors' fees .....	375.00	275.00		650.00
Rent and office services .....	3,000.00	3,000.00		6,000.00
Legal and audit .....	2,308.97	914.71		3,223.68
Transfer agency fees .....	1,183.93	2,529.92		3,713.85
Shareholders' reports .....	919.78	1,270.43		2,190.21
Share certificate expense .....	297.26	1,410.26		1,707.52
Toronto stock exchange fees and expense .....	285.75	1,599.07		1,884.82
Printing, stationery and office expense .....	34.35			34.35
Telephone and telegraph .....	474.49	694.20		1,168.69
Annual filing fees .....	25.00	25.00		50.00
Capital and place of business tax .....	105.00	134.29		239.29
Other expenses .....	311.53	698.90		1,010.43
	<u>9,321.06</u>	<u>12,551.78</u>		<u>21,872.84</u>
	<u>\$42,851.98</u>	<u>\$69,950.39</u>	<u>\$ 30.00</u>	<u>\$112,772.37</u>



# Canada's National Wildlife Service

The National Wildlife Service is a federal government department responsible for the protection and management of Canada's natural resources.

The Service is committed to the conservation of wildlife and the environment, and to the promotion of sustainable development.

The Service works closely with other government departments, as well as with the provinces and territories, to ensure the effective management of Canada's natural resources.

The Service is also responsible for the enforcement of wildlife laws, and for the management of wildlife populations.

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